



DEPARTMENT OF AGRICULTURE

Risk Management Agency

Notice of Funding Availability; Pandemic Cover Crop Program

AGENCY: Federal Crop Insurance Corporation, and Risk Management Agency, USDA.

ACTION: Notification of funding availability.

SUMMARY: The Risk Management Agency (RMA), on behalf of the Federal Crop Insurance Corporation (FCIC), is announcing the availability of funding under the Pandemic Cover Crop Program (PCCP) to help agricultural producers impacted by the effects of the COVID-19 outbreak. Given cover crop cultivation requires sustained, long-term investments to improve soil health and gain other agronomic benefits, the economic challenges due to the pandemic made maintaining cover cropping systems financially challenging for many producers. For the 2021 crop year, PCCP premium support is available to eligible producers for eligible insured acres on a spring crop insurance policy on which the producer planted a qualifying cover crop during the 2021 crop year.

FOR FURTHER INFORMATION CONTACT: David Zanoni, Senior Underwriter, david.zanoni@usda.gov, 816-926-6142.

SUPPLEMENTARY INFORMATION:

Background

This notice of funding availability specifies the terms and conditions of PCCP. PCCP provides premium support to eligible producers who planted and reported to Farm Service Agency (FSA) a qualifying cover crop on acreage insured under a spring crop insurance policy during the 2021 crop year. Funds from Division N of the Consolidated Appropriations Act, 2021, (Pub. L. 116-260) will be used for this notice of funding availability.

Definitions

Approved Insurance Provider (AIP) means a legal entity that has entered into a reinsurance agreement with FCIC for the applicable reinsurance year and is authorized to sell and service policies or plans of insurance under the Federal Crop Insurance Act.

Crop insurance policy means an insurance policy reinsured by FCIC under the provisions of the Federal Crop Insurance Act, as amended. It does not include private plans of insurance.

Crop year means the period within which the insured crop is normally grown and is designated by the calendar year in which the insured crop is normally harvested.

Eligible insured acres means insured acres on which the producer planted a qualifying cover crop during the 2021 crop year, as reported on the CLU(s) to FSA via a completed and signed Form 578-Report of Acreage on or before June 15, 2021, which may be prior to FSA's acreage reporting date, and reported the same CLU(s) on their crop insurance acreage report by the applicable Federal crop insurance acreage reporting date for a 2021 crop year spring crop insurance policy.

Eligible producer means a producer meeting all of the eligibility requirements for PCCP.

FCIC means the Federal Crop Insurance Corporation, a wholly owned Government Corporation of USDA that administers the Federal crop insurance program.

FSA means the Farm Service Agency, USDA.

FSA Common Land Unit (CLU) means the smallest unit of land that has a permanent, contiguous boundary, common land cover and land management, common owner, and common producer association.

Insured crop means a crop for which the participant has purchased a crop insurance policy from an AIP.

Insured acres means the participant's share of insurable acreage that is insured in accordance with a crop insurance policy purchased from an AIP.

PCCP means Pandemic Cover Crop Program.

Person means a person as defined in 7 CFR 457.8(1).

Qualifying cover crop means any of the four types of cover crops: (1) cereals and other grasses; (2) legumes; (3) brassicas; and (4) other non-legume broadleaves, and mixtures of two or more cover crop species planted at the same time. For the purposes of PCCP, an insured crop is not considered a qualifying cover crop.

RMA means the Risk Management Agency, USDA.

Spring crop means insured crops reported for the 2021 crop year with a Federal crop insurance acreage reporting date of April 15, 2021, to August 15, 2021, in accordance with the crop insurance policy.

USDA means United States Department of Agriculture.

Eligibility for PCCP

For the 2021 crop year, to be eligible for premium support under PCCP, the participant must be a person who is eligible to receive Federal benefits and who has purchased a crop insurance policy for a spring crop from an AIP for insured acres on which the participant planted and reported a qualifying cover crop during the 2021 crop year. Cover crops must be specifically reported to FSA via the Form-578 with the corresponding crop code. Potential participants that are uncertain of whether their cover crop was reported to the FSA are encouraged to contact their local FSA county office (farmers.gov/service-locator). Only acreage reports that are filed or amended prior to June 15 will be considered for the program.

Participants who are in violation of Highly Erodible Land or Wetlands Conservation (16 U.S.C. 3811-12, and 3821) are not eligible for premium support under PCCP.

A person is not eligible to receive benefits under PCCP if at any time that person is determined to be ineligible for crop insurance.

Whole Farm Revenue Protection, Supplemental Coverage Option, Enhanced Coverage Option, and Hurricane Insurance Protection - Wind Index policies or endorsements are not eligible for PCCP. Stacked Income Protection Plan (STAX) and Margin Protection (MP) policies are only eligible for PCCP when insured as a standalone policy. STAX and MP endorsements to underlying policies are not eligible for PCCP.

Calculating and Accounting PCCP Amounts

For the 2021 crop year, for eligible insured acres covered under a spring crop insurance policy, the amount under PCCP for each insured acre will be \$5, calculated on a CLU basis, with a maximum equal to the amount of premium owed by the insured. Amounts under PCCP are limited to the full amount of premium owed by the insured for the eligible insured acres on a CLU basis. If the full amount under PCCP would result in a negative premium balance for the insured on a CLU basis, PCCP amounts will be limited to the full amount of premium owed on a CLU basis. If the eligible insured acres are amended for any reason, such as an overreporting of insured acres, the amount under PCCP will be based on the eligible insured acres after any such amendment.

Where state premium subsidy programs are also applicable, if the full amount of the premium support under the state premium subsidy program and PCCP would result in a negative premium balance for the insured on a CLU basis, state premium subsidy would be applied first toward premium owed. PCCP would be applied second, up to the full amount of producer premium owed on a CLU basis.

The amount under PCCP will not be paid directly to participants. FCIC and AIPs will account for the amount when calculating total producer premium due. AIPs will adjust participant bills accordingly. All bills still follow the same terms and conditions specified in the crop insurance policy, regardless of PCCP amounts. The payment limitations in 7 CFR 760.1507 are not applicable to PCCP.

PCCP premium support will be provided via premium billing adjustments by the applicable RMA premium billing date for the insured crop. RMA will obtain cover crop records from FSA and determine eligibility such that eligible producers do not need to take any additional specific action through their crop insurance agent to enroll in the PCCP. In the event that any PCCP amount is determined to be incorrect, the amount will be recalculated until the 2021 reinsurance year annual settlement date of October 7, 2022, unless otherwise specified by the Administrator. After that date, the amount will be final except in cases of misrepresentation, fraud, scheme, or device.

Paperwork Reduction Act Requirements

In accordance with the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35, subchapter I), the rule does not change the information collection approved by OMB under control numbers 0563-0053.

Environmental Review

In general, the environmental impacts of programs are to be considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321-4347) and the regulations of the Council on Environmental Quality (40 CFR parts 1500-1508). FCIC conducts programs and activities that have been determined to have no individual or cumulative effect on the human environment. As specified in 7 CFR 1b.4, FCIC is categorically excluded from the preparation of an Environmental Analysis or Environmental Impact Statement unless the FCIC Manager (agency head) determines that an action may have a significant environmental effect. The FCIC Manager has determined this notice will not have a significant environmental effect. Therefore, FCIC will not prepare an environmental assessment or environmental impact statement for this action and this notice serves as documentation of the programmatic environmental compliance decision.

Federal Assistance Programs

The title and number of the Federal assistance programs, as found in the Catalog of Federal Domestic Assistance, to which this document applies is 10.450 – Crop Insurance.

USDA Non-Discrimination Policy

In accordance with Federal civil rights law and USDA civil rights regulations and policies, USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family or parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (for example, braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> and at any USDA office or write a letter addressed to USDA and provide in the letter all the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by mail to: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or email: OAC@usda.gov.

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Richard Flournoy,
Acting Administrator,
Risk Management Agency.

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